



7710-12

POSTAL SERVICE

39 CFR Part 111

New Standards to Enhance Business Reply Mail (BRM) Visibility

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service™ will revise *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) to require the use of an Intelligent Mail® package barcode (IMpb) on Business Reply Mail® (BRM) labels intended for use on cartons, parcel-shaped items, or Priority Mail® items of any shape.

DATES: *Effective date:* April 30, 2015.

FOR FURTHER INFORMATION CONTACT: Juliaann Hess at 202-268-7663, John F. Rosato at 202-268-8597, or Suzanne Newman at 202-695-0550.

SUPPLEMENTARY INFORMATION:

I. Proposed Rule

The Postal Service published a proposed rule (79 FR 4871) on August 18, 2014, with a comment period ending September 17, 2014, to enhance its operational capability to scan IMpbs and to provide tracking information to mailers by requiring a unique IMpb on cartons, parcel-shaped items, or Priority Mail pieces of any shape, returned using BRM service. Full implementation of the Postal Service's package visibility strategy relies on the availability of piece-level information provided through the widespread use of IMpb. Mailing standards

recently added to the DMM now require the use of IMpb on all commercial parcels (except parcels paid for using BRM service). Therefore, this change will align the IMpb standards for BRM parcels with that of all other commercial parcels, Merchandise Return Service (MRS) including USPS Returns, and Parcel Return Service.

Background: On December 18, 2013, the Postal Service published a final rule in the *Federal Register* (78 FR 76548) announcing that an IMpb, unique to each mailpiece, would be required on all commercial parcels, effective January 26, 2014. At that time the Postal Service also announced that it would be eliminating the option for any mailpiece meeting the physical characteristics of a parcel (under DMM 201), or Priority Mail pieces of any shape, to pay for postage using Business Reply Mail® (BRM).

In response to mailer feedback, on June 5, 2014, the Postal Service published a *Federal Register* document (79 FR 32490) indefinitely deferring the elimination of the option to use BRM to pay postage for cartons, parcel-shaped items, or Priority Mail pieces of any shape. At that time the Postal Service also indicated that it expected to issue proposed rules requiring the use of an IMpb on certain BRM cartons and labels.

In accordance with its previously expressed intent, the Postal Service published the proposed rule, on August 18, 2014, for requiring the use of an IMpb on BRM cartons, parcels, and Priority Mail items of any shape.

General IMpb Requirements: Technical and general specifications for IMpb use are provided in Publication 199, *Intelligent Mail Package Barcode*

(IMpb) Implementation Guide for: Confirmation Services and Electronic Verification System (eVS) Mailers, and DMM 708.5.1.

BRM: In order to ensure that parcel-shaped items returned using BRM service comply with the same standards as all other commercial parcels including returns, the Postal Service will require a unique IMpb on:

- a. All BRM cartons.
- b. All BRM labels distributed with the intent of being placed on an item meeting the physical characteristics of a parcel in DMM 201.
- c. All BRM labels distributed with the intent of being placed on Priority Mail items of any shape.

For the purposes of this requirement, a BRM carton is defined as a parcel-shaped mailpiece with a BRM label either printed directly on the mailpiece or affixed by the end user prior to mailing. BRM permit holders would not be required to submit shipping manifests to support these mailpieces. BRM labels would be required to use a unique Mailer ID (MID) for parcel-shaped BRM pieces and a concatenated IMpb construct that includes the ZIP+4[®] routing code. The barcodes must be unique for 180 days. BRM cartons and parcels will use the same IMpb service type codes used for Merchandise Return Service (MRS), for Priority Mail, or for First-Class Mail[®], based on the product used. The Postal Service provides an exception process — for mailers of small BRM cartons and parcels lacking sufficient label space to apply an IMpb barcode meeting the 3/4-inch height requirement — to submit barcodes of at least 1/2-inch in height for USPS[®] testing and approval. This exception process will be administered by the

National Customer Service Center (NCSC), as part of the routine package barcode approval process. At this time, no other changes are being made to BRM standards under DMM 505.1 as applicable to all other mail shapes.

Noncompliant Mailpieces: Once this final rule becomes effective, the Postal Service will assess a per-piece IMpb non-compliance fee on all BRM parcels not bearing an IMpb and returned using Priority Mail service. The proposed effective date for the per-piece IMpb non-compliance fee on First-Class Mail parcels being returned using BRM would be predicated on the Postal Service filing a notice with, and receiving approval from, the Postal Regulatory Commission. Thus, the non-compliance fee would start immediately with Priority Mail pieces only.

II. Comments and Responses

The Postal Service received one comment to the proposed rule of August, 18, 2014, from a Postal Service employee. The employee commented on the barcoding resources available for small to mid-size mailers and the use of Label 400 with BRM parcels. The Postal Service continues to encourage mailers to use one of the various merchandise return services products for return merchandise, instead of using Business Reply Mail, which is primarily intended for use with letter and flat sized pieces. The Postal Service currently offers a Merchandise Return Service (MRS) web-tool (API) interface that permits all mailers to create their MRS labels with the required IMpb. The Postal Service will continue to consider additional enhancements for all return services to make it easier for companies of all sizes to do business with us.

III. Features of the Final Rule

The Postal Service continues to enhance its operational capability to scan IMpbs, encoded with routing and tracking information, via automated mail processing equipment and Intelligent Mail scanning devices, and to provide tracking information to the mailers. Full implementation of the Postal Service's package visibility strategy relies on the availability of piece-level information provided through the widespread use of IMpb.

Recent changes to mailing standards now require the use of IMpb on all commercial parcels (excluding parcels paid for using BRM service). The Postal Service now advances its package visibility strategy by requiring a unique IMpb on cartons, parcels, or Priority Mail pieces of any shape, preprinted or with labels affixed to be returned using BRM service.

For the purposes of this requirement, a BRM carton is defined as a parcel-shaped mailpiece with a BRM label either printed directly on the mailpiece or affixed by the end user prior to mailing. BRM permit holders would not be required to submit shipping manifests to support these mailpieces. BRM labels would be required to use a unique Mailer ID (MID) for BRM parcels and a concatenated IMpb construct that includes the ZIP+4® routing code. The barcodes must be unique for 180 days. BRM cartons and parcels will use IMpb service type codes for Merchandise Return Service for Priority Mail or First-Class Mail®, based on the product used. The Postal Service will provide an exception process — for mailers of small BRM cartons and parcels lacking sufficient label space to apply an IMpb barcode meeting the 3/4-inch height requirement — to

submit barcodes of at least 1/2-inch in height for USPS testing and approval. This exception process will be administered by the National Customer Service Center (NCSC), as part of the normal package barcode approval process. At this time, no other changes would be made to the BRM standards in DMM 505.1 applicable to all other mail shapes.

Noncompliant Mailpieces: The Postal Service will assess a per-piece IMpb non-compliance fee on all BRM parcels not bearing an IMpb and returned using Priority Mail. The proposed effective date for the per-piece fee on First-Class Mail parcels being returns using BRM would be predicated on the Postal Service filing a notice with, and receiving approval from, the Postal Regulatory Commission. Thus, the non-compliance fee starts immediately with Priority Mail pieces only.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

For the reasons stated in the preamble, 39 CFR part 111 is amended as follows:

PART 111--[AMENDED]

1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 13 U.S.C. 301-307; 18 U.S.C. 1692-1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633, and 5001.

2. Revise the following sections of *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), as follows:

Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)

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505 Return Services

1.0 Business Reply Mail (BRM)

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1.4 General Information

1.4.1 Description

[Insert a new fourth sentence in 1.4.1 to read as follows:]

* * * All BRM labels intended for use on cartons, mailpieces meeting the physical characteristics of a parcel in DMM 201, or a Priority Mail item of any shape, must meet the standards under 1.7.10.

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1.7 Mailpiece Characteristics

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[Insert new 1.7.10 to read as follows:]

1.7.10 Labels for Parcels

BRM labels intended for use on cartons, mailpieces meeting the physical standards of a parcel under DMM 201, or a Priority Mail item of any shape, must also bear an IMpb prepared under 708.5.0 and meet

the technical standards in the Parcel Labeling Guide available on RIBBS.

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1.8 Format Elements

1.8.1 General

[Revise the text of the first and second sentences of 1.8.1 to read as follows:]

Except for BRM labels for parcels as provided under 1.7.10, all pieces of BRM are subject to these format elements. For all other BRM pieces, an Intelligent Mail barcode (IMb) is not required, except for QBRM prices; if an IMb is used, it must be printed and placed as provided under 1.9 and as shown in Exhibit 1.8.1.

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